

**UNITED STATES DISTRICT COURT
DISTRICT OF MARYLAND**

IN RE MUTUAL FUNDS INVESTMENT
LITIGATION

MDL DOCKET 1586

This Document Relates To:

Case No. 04-md-15862 (AMD)

IN RE ALLIANCE, TEMPLETON, BANK OF
AMERICA/NATIONS FUNDS, AND PILGRIM
BAXTER

ALLIANCE SUBTRACK

**~~PROPOSED~~ PRELIMINARY ORDER FOR NOTICE AND HEARING
IN CONNECTION WITH SETTLEMENT PROCEEDINGS
IN THE ALLIANCE SUB-TRACK**

WHEREAS, (i) plaintiffs Philip L. Erickson and Nadine Geller (together, the "Investor Class Plaintiffs") in the Investor Class Action, (ii) plaintiff Martine Stansbery, Jr. (the "ERISA Class Plaintiff") in the ERISA Class Action, (iii) plaintiffs Ira Newman, Jean L. Taylor, Jennifer Taylor, Robert J. Saelens, Anthony Antonello, Nancy Ann Antonello, James W. Burns, Thomas C. Burns, Jean Iezza, Pat Iezza, Linda D. Ames-Weiner, Felicia Bernstein, custodian for Danielle Brooks Bernstein, Mun Hung, Martin Goldberg, Robert Finnell, Simon J. Denenberg, Trustee for the Beverly Kaufman Trust, Rena Jarolawicz, Dr. Siegel Morton, Gail Craven, Richard Busch, Steve Burda, Virginia Wilcox, JoAnne Schnieder, Elaine F. Platt, Harry Schipper, and Jose Diaz (the "Fund Derivative Plaintiffs," and together with the Investor Class Plaintiffs and the ERISA Class Plaintiff, the "Plaintiffs") in the Fund Derivative Action (together with the Investor Class Action and ERISA Class Action, the "Actions"), and (iv) defendants Alliance Capital Management Holding, L.P., Alliance Capital Management L.P. (n/k/a AllianceBernstein L.P.), Alliance Capital Management Corporation (n/k/a AllianceBernstein Corporation), AXA

Financial, Inc., AXA S.A., The Equitable Life Assurance Society of the United States (n/k/a AXA Equitable Life Insurance Company), AllianceBernstein Investment Research and Management, Inc. (n/k/a AllianceBernstein Investments, Inc.), Alliance Global Investor Services, Inc. (n/k/a AllianceBernstein Investor Services, Inc.), each of the AllianceBernstein Funds, and each of the current and former subsidiaries, affiliates, officers, directors and trustees of the foregoing institutions, companies and AllianceBernstein Funds (the "Alliance Settling Defendants")¹, by and through their respective counsel, entered into the Stipulation and Agreement of Settlement dated November 4, 2009 (the "Alliance Settling Defendants Stipulation") providing for the settlement of claims against the Alliance Settling Defendants (the "Alliance Settling Defendants Settlement");

WHEREAS, Investor Class Plaintiffs and Bear, Stearns & Co. Inc., Bear, Stearns Securities Corp., and The Bear Stearns Companies Inc., currently known as J.P. Morgan Securities Inc., J.P. Morgan Clearing Corp. and The Bear Stearns Companies LLC (collectively, the "Bear Stearns Defendants"), by and through their respective counsel, entered into the Alliance/Bear Stearns Severed Agreement and Stipulation of Settlement dated January 15, 2010 (the "Alliance/Bear Stearns Stipulation") providing for the settlement of claims against the Bear Stearns Defendants (the "Alliance/Bear Stearns Settlement");

WHEREAS, Investor Class Plaintiffs and Daniel G. Calugar and Security Brokerage, Inc. (now known as Symphonic Alpha, LLC) (together, the "Security Brokerage Defendants"), by

¹ For purposes of the Settlement, "Alliance Settling Defendants" include all individuals currently or formerly associated with any of the Alliance Settling Defendants or any of the AllianceBernstein Funds. The "AllianceBernstein Funds" consists of the mutual funds in the AllianceBernstein family of mutual funds whose operations during the Class Period were advised or managed by Alliance Capital Management L.P., and all registrants which issued shares in each of the aforesaid mutual funds, and the successors, predecessors and assigns of each of the foregoing.

and through their respective counsel, entered into the AllianceBernstein/Security Brokerage Severed Agreement and Stipulation of Settlement dated January 15, 2010 (the "AllianceBernstein/Security Brokerage Stipulation") providing for the settlement of claims against the Security Brokerage Defendants (the "AllianceBernstein/Security Brokerage Settlement");

WHEREAS, Investor Class Plaintiffs, Fund Derivative Plaintiffs and Canary Capital Partners, LLC, Canary Capital Partners, Ltd., Canary Investment Management, LLC, and Edward Stern (collectively, the "Canary Defendants"), by and through their respective counsel, entered into the AllianceBernstein/Canary Severed Agreement and Stipulation of Settlement dated January 15, 2010 (the "AllianceBernstein/Canary Stipulation") providing for the settlement of claims against the Canary Defendants (the "Alliance/Canary Settlement");

WHEREAS, Investor Class Plaintiffs, Fund Derivative Plaintiffs and Banc of America Securities LLC ("BAS"), by and through their respective counsel, entered into the Alliance/BAS Severed Agreement and Stipulation of Settlement dated January 28, 2010 (the "Alliance/BAS Stipulation") providing for the settlement of claims against BAS and related entities (the "Alliance/BAS Settlement");

WHEREAS, (i) the Alliance Settling Defendants Stipulation, the Alliance/Bear Stearns Stipulation, the AllianceBernstein/Security Brokerage Stipulation, the AllianceBernstein/Canary Stipulation and the Alliance/BAS Stipulation shall be known collectively as the "Stipulations" and the settlements set forth in the Stipulations shall be known collectively as the "Settlements;" (ii) Investor Class Plaintiffs, ERISA Class Plaintiff, and Fund Derivative Plaintiffs shall be known collectively as "Plaintiffs;" (iii) the Alliance Settling Defendants, the Bear Stearns Defendants, the Security Brokerage Defendants, the Canary Defendants and BAS shall be known

NO DETERMINATION OF LIABILITY OR WRONGDOING

3. This Court hereby decrees that none of this Order, any of the Stipulations, or the fact of the Settlements constitute a determination, admission or concession by any of the Settling Entities of any liability or wrongdoing whatsoever.

CERTIFICATION OF INVESTOR AND ERISA CLASSES

4. The Court hereby preliminarily certifies, for purposes of settlement only, the following Investor Class pursuant to FED. R. CIV. P. 23(a) and (b)(3): all persons (other than defendants, their families and affiliates) who, during the period from October 1, 1998 to September 30, 2003, inclusive, purchased and/or held shares in any mutual fund in the AllianceBernstein Releasing Funds (a/k/a the Class Funds) (as set forth in the Appendix attached hereto), including all persons who were participants in or beneficiaries of the Alliance Plan³ at any time between October 2, 1998 and September 30, 2003 and whose accounts included investments in the AllianceBernstein Releasing Funds and Alliance Holding Units. Excluded from the Investor Class are defendants (*i.e.*, the Settling Entities⁴), members of the immediate

³ The "Alliance Plan" is defined as any profit sharing plan for the employees of Alliance Capital Management L.P. or AllianceBernstein L.P. The Alliance Plan is a member of the Investor Class and the only recovery for its participants and beneficiaries will come from its *pro rata* share of the settlement of the Investor Class Action.

⁴ "Settling Entities" is defined as: (i) Alliance Capital Management Holding, L.P., Alliance Capital Management L.P. (n/k/a AllianceBernstein L.P.), Alliance Capital Management Corporation (n/k/a AllianceBernstein Corporation), AXA Financial, Inc., AXA S.A., The Equitable Life Assurance Society of the United States, n/k/a AXA Equitable Life Insurance Company, AllianceBernstein Investment Research and Management, Inc. (n/k/a AllianceBernstein Investments, Inc.), Alliance Global Investor Services, Inc. (n/k/a AllianceBernstein Investor Services, Inc.), each of the AllianceBernstein Funds, John D. Carifa, Marc O. Mayer, Michael J. Laughlin, Roger Hertog, Bruce W. Calvert, Hank Brennan, Gerald Malone, Charles Schaffran, Mark D. Gersten and Wayne D. Lyski, and each of the current and former subsidiaries, affiliates, officers, directors and trustees of the foregoing institutions, companies and AllianceBernstein Funds; (ii) Banc of America Securities LLC; (iii) Bear, Stearns & Co. Inc. (n/k/a J.P. Morgan Securities Inc.), Bear, Stearns Securities Corp. (n/k/a J.P. Morgan Clearing Corp.), and The Bear Stearns Companies Inc. (n/k/a The Bear Stearns Companies

family of each of the individual defendants, any subsidiary, affiliate, director, officer, or employee of any of the defendants, any entity in which any excluded person or entity has a controlling interest, and the legal representatives, heirs, successors and assigns of any excluded person or entity. Also excluded from the Investor Class are all persons and entities who exclude themselves from the Settlements by timely requesting exclusion in accordance with the requirements set forth in the Long-Form Notice of Pendency and Proposed Settlements of Securities Class, Derivative and ERISA Class Actions, Motion for Attorneys' Fees and Expenses, and Settlement Hearing (the "Long-Form Notice").

5. The Court hereby preliminarily finds that the Investor Class set forth above satisfies all of the requirements of certification under Rule 23(a) and Rule 23(b)(3) in that: (a) the Investor Class satisfies the numerosity requirement of Rule 23(a)(1) of the Federal Rules of Civil Procedure; (b) the claims asserted in the Investor Class Action on behalf of the Investor Class present common issues of fact and law sufficient to satisfy Rule 23(a)(2); (c) the claims of the Investor Class Plaintiffs are typical of claims of absent Investor Class Members, satisfying Rule 23(a)(3); (d) the Investor Class Plaintiffs are adequate representatives of the Investor Class, satisfying Rule 23(a)(4); (e) common issues predominate over individual issues in the Investor Class Action, satisfying Rule 23(b)(3)(i); (f) class action treatment is the superior method of proceeding in the Investor Class Action, satisfying Rule 23(b)(3)(ii); and therefore (g) all prerequisites to maintenance of the Investor Class Action as a class action under the Federal Rules of Civil Procedure have been satisfied. Accordingly, the Court conditionally certifies the Investor Class for purposes of settlement.

LLC); (iv) Daniel G. Calugar and Security Brokerage, Inc. (now known as Symphonic Alpha, LLC); and (v) Canary Capital Partners, LLC, Canary Capital Partners, Ltd., Canary Investment Management, LLC, and Edward J. Stern.

6. Pursuant to FED. R. CIV. P. 23 and for purposes of settlement only, plaintiffs Philip L. Erickson and Nadine Geller are preliminarily certified as Class Representatives for the Investor Class, and Investor Lead Counsel, Barroway Topaz Kessler Meltzer & Check, LLP, is certified as Class Counsel for the Investor Class.

7. The Court hereby preliminarily certifies, for purposes of settlement only, the following ERISA Class pursuant to FED. R. CIV. P. 23(a), (b)(1) and (b)(2): all persons who were participants in or beneficiaries of the Alliance Plan at any time between October 2, 1998 and September 30, 2003 and whose accounts included investments in the Class Funds and Alliance Holding Units. Excluded from the ERISA Class are defendants, members of the immediate family of each of the individual defendants, any subsidiary, affiliate, director, officer, or employee of any of the defendants, any entity in which any excluded person or entity has a controlling interest, and the legal representatives, heirs, successors and assigns of any excluded person or entity.

8. The Court hereby preliminarily finds that the ERISA Class set forth above satisfies all of the requirements of certification under Rules 23(a), 23(b)(1) and 23(b)(2) in that: (a) the ERISA Class satisfies the numerosity requirement of Rule 23(a)(1) of the Federal Rules of Civil Procedure; (b) the claims asserted in the ERISA Class Action present common issues of fact and law sufficient to satisfy Rule 23(a)(2); (c) the claims of the ERISA Class Plaintiff are typical of claims of absent ERISA Class Members, satisfying Rule 23(a)(3); and (d) the ERISA Class Plaintiff is an adequate representative of the ERISA Class, satisfying Rule 23(a)(4). The ERISA Class also satisfies the requirements for certification under Rule 23(b)(1) because adjudications with respect to individual ERISA Class Members would, as a practical matter, be dispositive of other ERISA Class Members not parties to the individual adjudications or would

substantially impair their ability to protect their interests and Rule 23(b)(2) because defendants in the ERISA Action have allegedly acted or refused to act on grounds that apply generally to the ERISA Class, so that final injunctive or declaratory relief respecting the class as a whole would be appropriate. Accordingly, the Court conditionally certifies the ERISA Class for purposes of settlement.

9. Pursuant to FED. R. CIV. P. 23 and for purposes of settlement only, plaintiff Martine Stansbery, Jr. is certified as Class Representative for the ERISA Class, and ERISA Class Counsel, Harwood Feffer LLP, is certified as Class Counsel for the ERISA Class.

10. The Investor Class and the ERISA Class are referred to collectively herein as the "Classes."

11. Investor Lead Counsel and ERISA Class Counsel are authorized to act on behalf of the Classes with respect to all acts required by, or which may be undertaken pursuant to, the Stipulations or such other acts that are reasonably necessary to consummate the proposed Settlements set forth in the Stipulations.

12. Pursuant to Rule 23.1 of the Federal Rules of Civil Procedure, for settlement purposes only, the Court finds that the Fund Derivative Plaintiffs and Fund Derivative Counsel, the law firm of Pomerantz Haudek Grossman & Gross LLP, are adequate representatives of the AllianceBernstein Funds on whose behalf the derivative claims were brought.

PRELIMINARY APPROVAL OF SETTLEMENTS AND PLAN OF ALLOCATION

13. The Court preliminarily approves: (i) the Stipulations and the Settlements they embody, and (ii) the proposed Plan of Allocation described in the Long-Form Notice. Final approval of the Settlements is subject to the hearing of any objections to the proposed Settlements embodied in the Stipulations by members of the Classes or by current shareholders

of the AllianceBernstein Funds who will continue to own shares in at least one of the Class Funds through the date of the final settlement hearing.

APPROVAL OF FORM AND MANNER OF DISTRIBUTING NOTICE

14. The Court hereby authorizes Plaintiffs' Lead Counsel to retain Rust Consulting, Inc. as the Claims Administrator in connection with the Settlements to supervise and administer the notice and claims procedures.

15. The Claims Administrator shall make reasonable efforts to identify all Persons who are members of the Classes, including beneficial owners whose shares in the Class Funds are held by banks, brokerage firms, or other nominees. If requested, Alliance Capital Management L.P. (n/k/a AllianceBernstein L.P.) agrees to take reasonable efforts to make the names and addresses of Class Members and other holders of the Class Funds that are currently in their possession available to Investor Lead Counsel or its agent for the purpose of identifying and giving notice to the Classes at no cost to Investor Lead Counsel, Plaintiffs or the Classes.

16. The Settling Parties have submitted for this Court's approval a proposed Notice, Long-Form Notice and Publication Notice (collectively, the "Settlement Notices"), and a Proof of Claim and Release form ("Proof of Claim"), which the Court has reviewed. The Court finds and concludes as follows:

(a) The form and content of the Settlement Notices and the Proof of Claim, submitted herewith, and the methods set forth herein of notifying the Classes of the Settlements and their terms and conditions, meet the requirements of Rule 23 of the Federal Rules of Civil Procedure, Section 21D(a)(7) of the Securities Exchange Act of 1934, as amended, 15 U.S.C. § 78u-4(a)(7), including by the Private Securities Litigation Reform Act of 1995, due process, and

any and all other applicable laws, constitute the best notice practicable under the circumstances, and shall constitute due and sufficient notice to all Persons entitled thereto;

(b) On or before June 30, 2010, the Claims Administrator shall cause a copy of the Notice, substantially in the form submitted herewith, to be mailed by first class mail, postage pre-paid, to all identifiable members of the Classes, at their last known address appearing in the transfer records maintained by or on behalf of the Alliance Settling Defendants or in the shareholder information Investor Lead Counsel already possess (the "Notice Date");

(c) Pursuant to the Notice, each nominee who receives the Notice shall either: (i) send the Notice to members of the Classes for whom they act as nominee by first class mail within ten (10) days after the nominee receives the Notice; or (ii) send a list of the names and addresses of such beneficial owners to the Claims Administrator within ten (10) days after the nominee receives the Notice and, in the event of the latter, the Claims Administrator shall send by first class mail the Notice to all members of the Classes who are on the list received from the nominee. The Claims Administrator shall, if requested, reimburse banks, brokerage houses, or other nominees for their reasonable out-of-pocket expenses incurred in providing notice to beneficial owners who are members of the Classes, which expenses would not have been incurred except for the sending of such notice, subject to further order of this Court with respect to any dispute concerning such compensation;

(d) On or before June 30, 2010, the Claims Administrator shall cause a copy of the Long-Form Notice and Proof of Claim, substantially in the forms submitted herewith, to be posted on the settlement website established for the Alliance Sub-Track, www.AllianceMutualFundLitigation.com, and shall make these documents available for mailing upon request; and

(e) On or before July 14, 2010, Investor Lead Counsel shall cause the Claims Administrator, or other agent, to undertake a publication program, whereby (i) the Publication Notice, substantially in the form submitted herewith, shall be published once in the nationally circulated *People Magazine*, once in *The Wall Street Journal*, once in *The New York Times*, and over the *PR Newswire*; and (ii) notice of the Settlements shall be posted on various web-based media outlets, including, but not limited to, CNN.com, AOL.com, Hotmail.com, Facebook.com, Yahoo.com, The Wall Street Journal online, and through RSS Feed.

17. The form of the Settlement Notices fairly, plainly, accurately, and reasonably informs members of the Classes of: (1) appropriate information about the nature of the Actions, the Classes, the identity of Plaintiffs' Counsel, and the essential terms of the Settlements, including the Plan of Allocation; (2) appropriate information about the applications of Plaintiffs' Counsel for attorneys' fees and litigation expenses that will be deducted from the Settlement Funds in the Alliance Sub-Track; (3) appropriate information about how to participate in the Settlements; (4) appropriate information about this Court's procedures for final approval of the Settlements, and about the right of members of the Classes to appear through counsel if they desire; (5) appropriate information about how to object to the Settlements or opt out of the Settlements if members of the Classes wish to do so; and (6) appropriate instructions about how to obtain additional information regarding the Settlements.

18. The Court hereby finds that the proposed plan for notice of the Settlements will provide the best notice practicable to members of the Classes, satisfies the notice requirements of Rule 23, and satisfies all other legal and due process requirements.

19. The Court also hereby finds that the proposed plan of notice to current shareholders of the AllianceBernstein Funds (*i.e.*, notice by publication as set forth in ¶16(e)

above) provides reasonable and adequate notice to current shareholders of the AllianceBernstein Funds of the Settlements of the Fund Derivative Action, satisfies the notice requirements of Rule 23.1(c), and satisfies all other legal and due process requirements.

20. To further effectuate the provision of notice provided for herein, the Claims Administrator shall establish a toll-free telephone number and lease and maintain a post office box of adequate size for the return of Requests for Exclusion (as defined herein). The Notice and Long-Form Notice shall designate said post office box as the return address for the purposes designated in such notices. The Claims Administrator shall be responsible for the receipt of all responses to the Settlement Notices and, until further order of the Court, shall preserve all entries of appearance, Requests for Exclusion, and all other written communications from members of the Classes, nominees or any other Person in response to the Settlement Notices.

21. Plaintiffs' Lead Counsel shall file with the Court and serve upon counsel for the Settling Entities no later than ten (10) calendar days prior to the Settlement Hearing an affidavit or declaration of the person or persons under whose general direction the mailing of the Notice to members of the Classes, the posting of the Long-Form Notice and the Proof of Claim to the settlement website, the mailing of the Long-Form Notice and Proof of Claim to those Persons requesting copies, and the publication of the Publication Notice shall have been made, showing that such mailing, posting and publication have been made in accordance with this Order.

22. All motions and papers in support of the Settlements and Plan of Allocation, and any application by Plaintiffs' Counsel for an award of attorneys' fees and reimbursement of expenses, shall be filed and served no later than September 14, 2010, and all reply briefs in support of said motions shall be filed and served no later than October 6, 2010.

23. The administration of the proposed Settlements and the determination of all disputed questions of law and fact with respect to the validity of any claim or right of any person or entity to participate in the distribution of any of the Net Settlement Funds shall be under the authority of this Court.

PROCEDURES FOR FINAL APPROVAL OF SETTLEMENTS

24. The Court hereby schedules a hearing (the "Settlement Hearing") to be held before this Court on October 21 and 22, 2010, at 10 00 a.m., at the United States District Court for the District of Maryland, Baltimore Division, 101 W. Lombard Street, Baltimore Maryland 21201, Courtroom 1A, for the following purposes:

- a. to determine whether the Settlements should be approved by the Court as fair, reasonable and adequate;
- b. to determine whether the Plan of Allocation for the proceeds of the Settlements should be approved by the Court as fair and reasonable;
- c. to determine whether the Classes should be finally certified for settlement purposes;
- d. to determine whether, as provided in the Stipulations, the Final Judgments and Orders should be entered, *inter alia*, dismissing the Actions against the Settling Entities with prejudice and on the merits, and extinguishing and releasing all Settled Claims and Released Claims (as those terms are defined in the Stipulations);
- e. to consider Plaintiffs' Counsel's application for an award of attorneys' fees and reimbursement of litigation expenses; and
- f. to rule on such other matters as the Court may deem appropriate.

25. The Court reserves the right to adjourn or continue the Settlement Hearing, or any adjourned Settlement Hearing, including the consideration of the application for attorneys' fees and reimbursement of litigation expenses, without further notice of any kind to members of the Classes or shareholders of the AllianceBernstein Funds other than an announcement of the adjournment at the scheduled time of the Settlement Hearing or at the scheduled time of any adjournment of the Settlement Hearing.

26. The Court reserves the right to approve the Settlements at or after the Settlement Hearing with or without modifications to the Stipulations (only modifications that are consented to by the relevant Settling Parties) and without further notice to the Classes or shareholders of the AllianceBernstein Funds.

27. None of the Settling Entities, or any other Released Party⁵ or Released Person (as defined in the Alliance Settling Defendants Stipulation), shall have any responsibility whatsoever for the Plan of Allocation or for any application for attorneys' fees and/or expenses submitted by Plaintiffs' Counsel, and such matters will be considered separately from the fairness, reasonableness and adequacy of the Settlements.

28. **Right to Object to the Settlements.** Any member of the Classes or current shareholder of the AllianceBernstein Funds who wishes to object to the Settlements, the Plan of Allocation, and/or the application for attorneys' fees and reimbursement of litigation expenses must, no later than September 21, 2010 (the "Objection Deadline"), submit to the Court and serve on counsel (listed below) a written statement of objection in the manner set forth herein

⁵ The "Released Parties" collectively refer to: (i) the Bear Stearns Released Parties (as defined in the Alliance/Bear Stearns Stipulation); (ii) the Security Brokerage Released Parties (as defined in the AllianceBernstein/Security Brokerage Stipulation); (iii) the Canary Released Parties (as defined in the AllianceBernstein/Canary Stipulation); and (iv) the Bank of America Released Parties (as defined in the Alliance/BAS Stipulation).

and in the Long-Form Notice. Any member of the Classes or current shareholder of the AllianceBernstein Funds who objects to the Settlement, the Plan of Allocation, and/or the application for attorneys' fees and reimbursement of litigation expenses, or who otherwise wishes to be heard regarding the foregoing, may appear in person or by his, her, or its attorney, at his, her, or its own expense, at the Settlement Hearing and present evidence or argument that may be proper or relevant; *provided, however*, that no Person other than the Settling Parties and their counsel shall be heard, and no papers, briefs, pleadings, or other documents submitted by any Person shall be considered by the Court unless, on or before the Objection Deadline, such Person properly and timely submits said objections, papers, briefs pleadings or other documents with the Clerk of the United States District Court for the District of Maryland, Baltimore Division, 101 W. Lombard Street, Baltimore, Maryland 21201, and serves upon following counsel:

Investor Lead Counsel:

Michael K. Yarnoff
Jennifer L. Enck
BARROWAY TOPAZ KESSLER
MELTZER & CHECK, LLP
280 King of Prussia Road
Radnor, PA 19087

Investor Lead Counsel will file any objection received with the Court as well as provide a copy of such objection to Fund Derivative Counsel, ERISA Class Counsel and counsel for the Settling Entities within three (3) business days following receipt thereof. Objections by members of the Classes must include information or documents concerning the objector's holdings of shares in the Class Funds during the Class Period or a statement attesting to the fact that such Person held or purchased shares in one or more of the Class Funds during the Class Period. Objections to the

Settlements of the Derivative Action must include information concerning the objector's current ownership of shares in one or more of the Class Funds.

29. An objector's attendance at the Settlement Hearing is not necessary; however Persons wishing to be heard orally in opposition to the approval of any of the Settlements, the Plan of Allocation, and/or the requests for attorneys' fees and expenses are required to indicate in their written objection their intention to appear at the hearing. Persons who intend to object to the Settlements, the Plan of Allocation, and/or the requests for attorneys' fees and expenses and desire to present evidence at the Settlement Hearing must include in their written objections the identity of any witnesses they may call to testify and any exhibits they intend to introduce into evidence at the Settlement Hearing. Members of the Classes and shareholders do not need to appear at the hearing or take any other action to indicate their approval.

30. Any member of the Classes or current shareholder of the AllianceBernstein Funds who does not object in the manner prescribed above shall be deemed to have waived such objection and shall be forever foreclosed from making any objection to the fairness, adequacy or reasonableness of the proposed Settlements as well as the Final Judgments and Orders to be entered approving the Settlements, the Order to be entered approving the Plan of Allocation or the applications of Plaintiffs' Counsel for awards of attorneys' fees and expenses, or from otherwise being heard concerning these subjects in this or any other proceeding, except for good cause shown. Objections raised at the Settlement Hearing will be limited to those previously submitted in writing.

31. **Right to Request Exclusion from the Investor Class.** Any Person falling within the definition of the Investor Class may be excluded from the Investor Class if, and only if, such Person so requests in the manner set forth herein. Any such Person must submit to the Claims

Administrator a request for exclusion ("Request for Exclusion") so that it is received no later than September 21, 2010. A Request for Exclusion must be signed by the Person requesting exclusion and: (1) state the name, address, and telephone number of the Person requesting exclusion; (2) state that the Person wishes to be excluded from the Investor Class in the *In re Mutual Funds Investment Litigation – Alliance Sub-Track*, 1:04-md-15862 (AMD); and (3) identify the Person's holding(s) of shares in the Class Funds during the Class Period, including the amount of shares held at the beginning of the Class Period, the end of the Class Period, and at the end of each calendar quarter during the Class Period. If a Person requesting exclusion represents to the Claims Administrator (subject to verification) that this information is not available, such Person may provide the number of shares that he, she or it held in the Class Funds at the end of each year ended 1998-2003. All Persons who submit valid and timely Requests for Exclusion in the manner set forth in this paragraph and the Long-Form Notice shall have no rights under the Stipulations and shall not share in the distribution of the Net Settlement Funds, shall not be bound by the Stipulations or by the Final Judgments and Orders, and shall not participate in any Settlements with any Settling Entities.

32. Participation in the Settlements and Submission of Proofs of Claim. Any Investor Class Member who wishes to participate in the Net Settlement Funds must submit a valid Proof of Claim to the Claims Administrator, to the address indicated in the Notice and Long-Form Notice, postmarked no later than December 8, 2010. Such deadline may be further extended by Court order. Proofs of Claim shall be deemed to have been submitted when postmarked, if mailed by first class, or registered or certified mail, with postage prepaid and addressed in accordance with the instructions given in the Proof of Claim. All other Proofs of Claim shall be deemed to have been submitted at the time they are actually received by the

Claims Administrator. To be valid, a Proof of Claim must: (i) be completed in a manner that permits the Claims Administrator to determine the eligibility of the claim as set forth in the Proof of Claim; (ii) include the release by the claimant of all Settled Claims and Released Claims against all Released Persons and Released Parties as set forth in the respective Stipulations; and (iii) be signed with an affirmation that the information is true and correct. As part of the Proof of Claim, each Investor Class Member shall submit to the jurisdiction of the Court with respect to the claim submitted, and shall (subject to the effectuation of the Settlements reflected in the Stipulations) agree and enter into the releases as provided in the Stipulations. All Investor Class Members who do not submit valid and timely Proofs of Claim shall be forever barred from receiving any payments from the Net Settlement Funds, but will in all other respects be subject to and bound by the provisions of the Stipulations and the Final Judgments and Orders, if entered, unless such Persons request exclusion from the Investor Class in a timely and proper manner, as provided herein.

OTHER CASES ENJOINED

33. All proceedings in the Actions, other than such proceedings as may be necessary to carry out the terms and conditions of the Settlements, are hereby stayed and suspended until further order of this Court. Pending final approval of the Settlements, the Court hereby preliminarily enjoins each member of the Classes, including any member who makes an irrevocable election to exclude himself, herself or itself from the Investor Class, from commencing, prosecuting, continuing, or asserting in any court other than this Court any action or any claim that challenges or seeks review of or relief from any order, judgment, act, decision or ruling of the Court in connection with the Settlements. The Court further enjoins any member of the Classes who has not, by the deadline for requesting exclusion, made a timely, irrevocable

election to exclude himself, herself or itself from the Investor Class, from commencing prosecuting, continuing or asserting, either directly, or indirectly, individually or as representative, or in any other capacity, any of the Settled Claims or Released Claims (as those terms are defined in the Stipulations).

PAYMENT OF THE SETTLEMENT FUNDS

34. The passage of title and ownership of the Settlement Funds to the respective Escrow Agents in accordance with the terms of the Stipulations is approved. No Person who is not a member of the Classes, current shareholder of the Class Funds, or Plaintiffs' Counsel shall have any right to any portion of, or in the distribution of, the Net Settlement Funds unless otherwise ordered by the Court or otherwise provided in the Stipulations.

35. The contents of the Settlement Funds held by the Escrow Agents shall be deemed and considered to be in *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such time as the contents of those funds shall be distributed pursuant to the Stipulation and/or further order(s) of the Court.

36. As provided in the Stipulations, and subject to the limitations in the Stipulations, Plaintiffs' Lead Counsel may pay the Claims Administrator the reasonable fees and costs associated with giving notice to the Classes and current shareholders of the Class Funds and the review of claims and administration of the Settlements out of the Settlement Funds without further order of the Court.

37. Plaintiffs' Lead Counsel or their agents are authorized and directed to prepare any tax returns and any other tax reporting for or in respect of the Settlement Funds and pay from the Settlement Funds any Taxes owed with respect to the Settlement Funds, and to otherwise

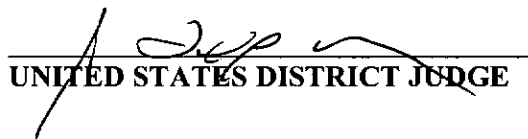
perform all obligations with respect to Taxes and any reporting or filings in respect thereof as contemplated by the Stipulations, without further order of the Court.

EFFECT OF TERMINATION OF SETTLEMENTS

38. In the event that any of the Settlements is properly terminated in accordance with the terms of the relevant Stipulation, the Stipulation, shall be null and void, of no further force or effect, and without prejudice to any party, and may not be introduced as evidence or referred to in any actions or proceedings by any person or entity, and each party shall be restored to his, her or its respective position as provided in that Stipulation and the parties shall proceed as if that Stipulation had not been entered.

39. The Court further retains exclusive jurisdiction over the Actions to consider all further matters arising out of or connected with the Settlements reflected in the Stipulations, including enforcement of the releases provided for in the Stipulations.

SIGNED this 19th day of May 2010.


UNITED STATES DISTRICT JUDGE

APPENDIX*

1. **Alliance International Fund**⁶
2. **Alliance National Municipal Income Fund**⁷
3. **AllianceBernstein Americas Government Income Trust** (f/k/a Alliance Americas Government Income Trust, Alliance North American Government Income Trust)⁸
4. **AllianceBernstein Balanced Shares** (f/k/a Alliance Balanced Shares)
5. **AllianceBernstein Bond Fund – AllianceBernstein Corporate Bond Portfolio** (f/k/a Alliance Bond Fund – Corporate Bond Portfolio)⁹
6. **AllianceBernstein Bond Fund – AllianceBernstein U.S. Government Portfolio** (f/k/a Alliance Bond Fund – U.S. Government Portfolio)¹⁰
7. **AllianceBernstein Disciplined Value Fund** (f/k/a Alliance Disciplined Value Fund)¹¹
8. **AllianceBernstein Emerging Market Debt Fund** (f/k/a Alliance Emerging Market Debt Fund, Alliance Global Dollar Government Fund)¹²
9. **AllianceBernstein Global Small Cap Fund** (f/k/a Alliance Global Small Cap Fund)¹³
10. **AllianceBernstein Growth and Income Fund** (f/k/a Alliance Growth and Income Fund)
11. **AllianceBernstein High Yield Fund** (f/k/a Alliance High Yield Fund)¹⁴

* Fund names printed in bold indicate the names as of the end of the Class Period

⁶ Acquired by AllianceBernstein Trust – AllianceBernstein International Value Fund in May 2002

⁷ Now known as AllianceBernstein National Municipal Income Fund

⁸ Became AllianceBernstein Global Government Income Trust in February 2006; now known as AllianceBernstein Global Bond Fund

⁹ Merged with AllianceBernstein High Yield Fund and AllianceBernstein Emerging Market Debt Fund to form AllianceBernstein High Income Fund in January 2008

¹⁰ Acquired by AllianceBernstein Bond Fund – AllianceBernstein Intermediate Bond Portfolio in November 2007

¹¹ Now known as AllianceBernstein Focused Growth & Income Fund.

¹² Merged with AllianceBernstein High Yield Fund and AllianceBernstein Bond Fund – AllianceBernstein Corporate Bond Portfolio to become AllianceBernstein High Income Fund in January 2008

¹³ Liquidated in February 2005

12. **AllianceBernstein Mid-Cap Growth Fund** (f/k/a The Alliance Fund, Alliance Mid-Cap Growth Fund)¹⁵
13. **AllianceBernstein New Europe Fund** (f/k/a Alliance New Europe Fund)¹⁶
14. **AllianceBernstein Premier Growth Fund** (f/k/a Alliance Premier Growth Fund)¹⁷
15. **AllianceBernstein Real Estate Investment Fund** (f/k/a Alliance Real Estate Investment Fund)¹⁸
16. **AllianceBernstein Quasar Fund** (f/k/a Alliance Quasar Fund)¹⁹
17. **AllianceBernstein Technology Fund** (f/k/a Alliance Technology Fund)²⁰
18. **AllianceBernstein Trust – AllianceBernstein Small Cap Value Fund**²¹
19. **The AllianceBernstein Portfolios – AllianceBernstein Growth Fund** (f/k/a The Alliance Portfolios – Alliance Growth Fund)

¹⁴ Merged with AllianceBernstein Bond Fund – AllianceBernstein Corporate Bond Portfolio and AllianceBernstein Emerging Market Debt Fund to form AllianceBernstein High Income Fund in January 2008

¹⁵ Now known as AllianceBernstein Small/Mid-Cap Growth Fund

¹⁶ Merged into AllianceBernstein International Research Growth Fund in July 2005

¹⁷ Now known as AllianceBernstein Large Cap Growth Fund

¹⁸ Now known as AllianceBernstein Global Real Estate Fund

¹⁹ Now known as AllianceBernstein Cap Fund – AllianceBernstein Small Cap Growth Portfolio

²⁰ Became AllianceBernstein Global Technology Fund in December 2004; now known as AllianceBernstein Global Thematic Growth Fund

²¹ Now known as AllianceBernstein Trust – AllianceBernstein Small/Mid Cap Value Fund